

Message Text

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45

ACTION XMB-04

INFO OCT-01 NEA-09 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

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R 061010Z MAY 75

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 2382

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PASS EXIM

E.O. 11652: N/A

TAGS: EFIN, AG

SUBJ: EXIM FINANCING OF ALGERIAN PROJECTS

REF: (A) STATE 103224 (B) STATE 103215

(C) STATE 099173

1. EMBASSY NOTIFIED DEPUTY DIRECTOR GENERAL OF SONELEC, MOHAMED HAKIKI OF EXIM BOARD'S DECISION TO AUTHORIZE 55.2 MILLION DOLLAR CREDIT FOR THE PURCHASE OF U.S. GOODS AND SERVICES FOR SONELEC'S HOME ELECTRONICS PLANT AT SIDI BEL ABBES. REF A. HAKIKI QUESTIONED EMBOFF ON NEW EXIM POLICY OF GRANTING CREDITS OF UP TO 55 PERCENT OF VALUE OF US GOODS AND SERVICES. EMBOFF RESPONDED THAT THIS POLICY GAVE EXIM GREATER FLEXIBILITY IN GRANTING CREDITS AND WAS NOT DECISION TO GRANT 55 PERCENT EVERY TIME. PERCENTAGE OF CREDIT WILL BE SUBJECT OF NEGOTIATION WITH EXIM AND WILL DEPEND ON PROJECT. HAKIKI EXPRESSED UNDERSTANDING AND SAID HE WAS REQUESTING HIGHER PERCENTAGE OF EXIM CREDIT ON QTE HOME ELECTRONICS PROJECT. PLEASE KEEP EMB INFORMED OF BANK'S ACTIONS ON THIS PROJECT.

2. RACHID DJELLALI OF SONATRACH CALLED EMBOFF ABOUT
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NEW 55 PERCENT POLICY. DJELLALI IS ALSO GOING TO ASK

FOR 55 PERCENT EXIM CREDIT FOR PRITCHARD GAS PROCESSING PLANT AT HASSI R'MEL. AT SAME TIME HE ASKED FOR STATUS REPORT ON EXIM'S DECISION ON ADDITIONAL CREDIT, STRESSING THAT COMPLETION OF THIS EXIM FINANCING IS URGENT FOR SONATRACH. DJELLALI BELIEVES EXIM NOW HAS ALL DATA NECESSARY. EMBASSY WOULD APPRECIATE ANY INFORMATION ON STATUS OF FINANCING THIS IMPORTANT CONTRACT.

3. DJELLALI ALSO TOUCHED ON A NUMBER OF OTHER SONATRACH PROJECTS. (A) NO DECISION HAS BEEN TAKEN ON COASTAL OIL BARGES, BUT FRENCH SEEM TO BE IN LEAD. CAMPBELL INDUSTRIES BIDDING ON THIS PROJECT.(B) PURCHASE OF KENWOOTH TRUCKS MIGHT BE EXTENDED OVER LONGER PERIOD THAN COVERED BY EXIM P.C. AND DJELLALI WILL BE SEEKING EXTENSION. (C) NO DECISION HAS BEEN TAKEN ON TIRE PLANT AT SIDI BEL ABBES. EMBOFF HAD THOUGHT THIS WAS GOING TO RUSS-TYRE OF UK WITH PARSON ENGINEERING. BUT DJELLALI EXPRESSED STRONG INTEREST IN GOODRICH AND PARSON COMPONENT FROM US WITH EXIM FINANCING. HE ESTIMATED TOTAL PROJECT AT 250 MILLION DOLLARS.

4. EMBASSY BELIEVES THAT THERE IS A REAL NEED FOR FORKLIFT TRUCKS IN ALGERIA AND ESPECIALLY IN PORTS WHERE LA SOCIETE NATIONALE DE MANUTENTION WORKS. ADEQUATE SERVICING IS AS IMPORTANT AS ADDITIONAL EQUIPMENT. REFS B AND C.
PARKER

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Message Attributes

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Decaption Date: 01 JAN 1960
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